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CENTRAL DIST. OF CALIF.
LOS ANGELES
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FILED

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2019 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

DENNIS BLIEDEN

Defendant.

CR No. 19 CR00399 - AB

I N D I C T M E N T

[18 U.S.C. § 1343: Wire Fraud;
18 U.S.C. § 1028A(a)(1):
Aggravated Identity Theft; 18
U.S.C. §§ 981(a)(1)(C) and
982(a)(2) and 28 U.S.C. § 2461(c):
Criminal Forfeiture]

The Grand Jury charges:

COUNTS ONE THROUGH ELEVEN

[18 U.S.C. § 1343]

A. INTRODUCTORY ALLEGATIONS

1. At times relevant to this Indictment:

a. Defendant DENNIS BLIEDEN resided in Santa Monica, California.

b. Defendant BLIEDEN was the controller and vice president of accounting and finance of Company-1, a marketing services, media, and technology company, whose headquarters were located in Los Angeles, California. Company-1 represented "influencers" who appeared on internet platforms such as YouTube and

1 Instagram and managed the advertising revenues earned by the
2 influencers for a commission.

3 c. Company-1 used an accounting software, SAP, to record
4 its income and expenditures. Company-1 used servers located in
5 Luxembourg to host the SAP accounting program.

6 d. Defendant BLIEDEN was a signatory on Company-1's Wells
7 Fargo Bank and Silicon Valley Bank ("SVB") accounts.

8 e. Defendant BLIEDEN was an authorized user of Company-
9 1's Western Union accounts.

10 f. Defendant BLIEDEN owned bank accounts at the following
11 banks, among others:

12 i. J.P. Morgan Chase ("Chase");

13 ii. Wells Fargo;

14 iii. Citibank; and

15 iv. Bank of America.

16 g. Defendant BLIEDEN owned crypto-currency accounts,
17 including accounts with Coinbase, Gemini, and Binance.

18 B. THE SCHEME TO DEFRAUD

19 2. Beginning on a date unknown, but at least as early as in or
20 about October 2015, and continuing through at least in or about March
21 2019, in Los Angeles County, within the Central District of
22 California, and elsewhere, defendant BLIEDEN, together with others
23 known and unknown to the Grand Jury, knowingly and with intent to
24 defraud, devised, participated in, and executed a scheme to defraud
25 Company-1 as to material matters, and to obtain money and property
26 from Company-1 by means of materially false and fraudulent pretenses,
27 representations, and promises, and the concealment of material facts.
28

1 3. The fraudulent scheme operated, and was carried out, in
2 substance, in the following manner and by the following means:

3 a. Defendant BLIEDEN obtained, without the authorization
4 of Company-1, and for no legitimate corporate purpose, money owned by
5 and in the custody and control of Company-1 by wiring, and causing to
6 be wired, money from Company-1's bank accounts to his personal bank
7 accounts.

8 b. After receiving the money transferred from Company-1's
9 bank accounts into his personal bank accounts, defendant BLIEDEN used
10 the money to pay for personal expenses and to fund his crypto-
11 currency accounts.

12 c. Defendant BLIEDEN obtained, without the authorization
13 of Company-1, and for no legitimate corporate purposes, additional
14 money owned by and in the custody and control of Company-1 by wiring,
15 and causing to be wired, money from Company-1's Wells Fargo accounts
16 to third parties for his benefit.

17 d. Defendant BLIEDEN made and caused to be made false and
18 fraudulent entries in Company-1's SAP accounting records, including
19 by falsely representing that the wire transfers were authorized
20 payments of money due to Company-1's clients on the dates and in the
21 amounts indicated in the SAP accounting records made by defendant
22 BLIEDEN. In fact, as defendant BLIEDEN then knew, the wire transfers
23 were not made to Company-1's clients and were actually made in
24 furtherance of defendant BLIEDEN's embezzlement scheme.

25 e. Defendant BLIEDEN falsely represented and maintained
26 on the user activity records for Company-1's SVB account that the
27 transfers from Company-1's SVB account to defendant BLIEDEN's Chase
28 account were "equity" draws owed to defendant BLIEDEN by Company-1.

1 In fact, as defendant BLIEDEN then knew, he was not entitled to any
2 "equity" draw from Company-1.

3 f. Defendant BLIEDEN falsely represented and maintained
4 the false pretense that Company-1 had entered into a lease agreement
5 to rent a condominium in Rosarito Beach, Baja California, Mexico. In
6 fact, as defendant BLIEDEN then knew, Company-1 had not entered into
7 any lease to rent that condominium.

8 4. Defendant BLIEDEN emailed employees of Company-1 and its
9 clients and stated that defendant BLIEDEN, on behalf of Company-1,
10 had paid the clients, when in fact, as defendant BLIEDEN then knew,
11 the clients had not been paid.

12 5. Defendant BLIEDEN created fictitious wire transfer letters
13 purportedly from Western Union to make it appear that defendant
14 BLIEDEN had caused wire transfers from Company-1 to a client to pay
15 money due to the client, when in fact, as defendant BLIEDEN then
16 knew, he had not caused such wire transfers.

17 6. Defendant BLIEDEN created a fictitious lease agreement for
18 the rental of the condominium in Rosarito Beach by Company-1, which
19 bore the forged signature of S.H., and which defendant BLIEDEN
20 emailed to Western Union as justification for the wire transfer of
21 \$230,000 of Company-1's money. In the transmittal email, defendant
22 BLIEDEN falsely stated that the condominium was being rented for
23 business purposes and would be used by Company-1's clients and
24 employees. In fact, as defendant BLIEDEN then knew, Company-1 and
25 S.H. had not entered into the lease agreement, the \$230,000 being
26 wired was paid for defendant BLIEDEN's benefit, and the condominium
27 was never used and would never be used by Company-1's clients and
28 employees.

C. EFFECT OF THE SCHEME TO DEFRAUD

7. As a result of the scheme to defraud, defendant BLIEDEN obtained at least \$22 million from Company-1 to which he was not entitled.

D. USE OF THE WIRES

8. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, defendant BLIEDEN, for the purpose of executing the above-described scheme to defraud, transmitted, and caused the transmission of, the following items by means of wire and radio communication in interstate and foreign commerce:

COUNT	DATE	ITEM WIRED
ONE	5/16/2018	Wire transfer of \$230,000 from Company-1's Wells Fargo account in California, through Company-1's Western Union account, via FedWire servers in New Jersey, to First Bank
TWO	8/31/2018	ACH transfer of \$378,071.65 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
THREE	10/1/2018	ACH transfer of \$378,161.80 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
FOUR	10/11/2018	ACH transfer of \$379,937.39 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
FIVE	11/5/2018	ACH transfer of \$387,434.48 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
SIX	12/04/2018	ACH transfer of \$385,387.97 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia

COUNT	DATE	ITEM WIRED
SEVEN	12/14/2018	ACH transfer of \$386,257.23 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
EIGHT	12/27/2018	ACH transfer of \$586,792.90 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
NINE	2/1/2019	ACH transfer of \$489,095.07 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
TEN	2/5/2019	ACH transfer of \$386,807.23 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia
ELEVEN	2/21/2019	ACH transfer of \$543,109.39 from Company-1's SVB account to defendant BLIEDEN'S Chase account in California via FedACH servers in Atlanta, Georgia

COUNT TWELVE

[18 U.S.C. § 1028A(a)(1)]

9. On or about June 7, 2018, in Los Angeles County, within the Central District of California, and elsewhere, defendant DENNIS BLIEDEN knowingly transferred, possessed, and used, without lawful authority, a means of identification that defendant BLIEDEN knew belonged to another person, that is, the name of another individual, S.H., during and in relation to wire fraud, a felony violation of Title 18, United States Code, Section 1343, as charged in Count One of this Indictment.

FORFEITURE ALLEGATION ONE

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

1. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of the defendant's conviction of the offenses set forth in any of Counts One through Eleven of this Indictment.

2. The defendant, if so convicted, shall forfeit to the United States of America the following:

a. All right, title and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offenses; and

b. To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraphs (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), the defendant, if so convicted, shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as the result of any act or omission of the defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been comingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION TWO

[18 U.S.C. §§ 982(a)(2) and 28 U.S.C. § 2461(c)]

1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal Procedure, notice is hereby given that the United States will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Sections 982(a)(2), and Title 28, United States Code, Section 2461(c), in the event of the defendant's conviction of the offense set forth in Count Twelve of this Indictment.

2. The defendant, if so convicted, shall forfeit to the United States of America the following:

(a) All right, title and interest in any and all property, real or personal, constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of the offense;

(b) Any personal property used or intended to be used to commit the offense; and

(c) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a) and (b).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Sections 982(b) and 1028(g) and Title 28, United States Code, Section 2461(c), the defendant, if so convicted, shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as the result of any act or omission of the defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has

1 been substantially diminished in value; or (e) has been comingled
2 with other property that cannot be divided without difficulty.

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4 A TRUE BILL

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